

# FISCAL NOTE

**Bill #:** SB0086

**Title:** Submit electric utility property tax adjustment to electorate

**Primary**

**Sponsor:** Mike Halligan

**Status:** As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$33,755	\$0
<b>Net Impact on General Fund Balance:</b>	<b>(\$33,755)</b>	<b>\$0</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long- Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

#### Department of Revenue

1. This bill has no impact on the Department of Revenue. This bill, which provides for a vote of the electorate under the provisions of CI-75, is a companion bill to SB 85, which is a bill to restructure taxation of electric utilities at the request of the Revenue Oversight Committee. Fiscal impacts associated with SB 85 will appear on the fiscal note for that bill.

#### Secretary of State

2. For purposes of CI-75 and submitting SB 86 to the electorate, this issue is only one of many likely to be submitted. Therefore, the impact presented in the fiscal note is only for the “extra” (marginal) cost which would be incurred by the state in preparing a Voter Information Packet (VIP) for the specific issue contained in the proposed bill. The VIP circulation is 525,000.
3. SB 86 will require at least 6 pages of explanation to be printed in the VIP at .00236 cents per page for a total cost of \$ 7,434 (6 x .00236 x 525,000).
4. Although counties also will incur a cost for distribution of the VIP, funding will be distributed to the counties by the Secretary of State for this purpose. County cost is .008356 per page for a total of cost of \$26,321 (6 x .008356 x 525,000).

(continued)

5. Although the Secretary of State does not have a general fund budget, the cost of submitting these issues to the electorate will be supported with general fund.
6. In the event the SB 86 surcharge is adopted, thereby generating the proposed state special revenue, the general fund would be reimbursed the \$33,755 cost of the ballot issue (\$7,434 from # 3 and \$26,321 from # 4).
7. The revenue generated by this measure would be general fund so the general fund would pay for this ballot issue whether the measure passed or failed.

**FISCAL IMPACT**

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
<b>Secretary of State</b>		
<b><u>Expenditures:</u></b>		
Operating Expenses	\$ 7,434	\$0
Transfer to Counties	<u>\$26,321</u>	<u>\$0</u>
TOTAL	\$33,755	\$0
<b><u>Funding:</u></b>		
General Fund (01)	\$33,755	\$0
<b><u>Net Impact to Fund Balance (Revenue minus Expenditure):</u></b>		
General Fund (01)	(\$33,755)	\$0

**EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:**

CI -75: For SB 86 the mailing costs of the VIP and the extra item on the ballot would be marginal costs. Assuming 6 pages for this issue at .008356 per page distributed to 525,000 addresses, counties would incur a cost of \$33,755 in FY 2000. See the third assumption of Secretary of State.

**TECHNICAL NOTES in consideration of CI-75**

1. The costs presented for the SB 86 ballot issue will be included in a comprehensive analysis of the planned electorate vote(s) prior to the end of the session, based on all ballot issues adopted by the 56<sup>th</sup> Legislative Assembly.
1. When considering the comprehensive costs of an electorate vote, any costs greater than \$194,203 which are distributed to the counties must be funded by the Legislature (1-2-112, MCA).
2. For FY2000, a statewide election would have a base cost of \$690,000 for the counties and \$46,987 for the state for total general fund of \$736,987. General fund will be appropriated in HB 2 to the Secretary of State for this statewide base cost and all the cumulative per-ballot-issue marginal costs at the end of the session.
3. In FY2001, a tax election would be combined with a general election and would, therefore, require only marginal costs for ballot issues.